

# CITY MANAGER'S BUDGET MESSAGE

Mayor and City Council  
City of Greensboro

May 16, 2006

Council Members:

This budget will be my first as your City Manager. In developing this budget I relied on the guidance you provided in our many meetings regarding the budget and the budget process. We started this year's budget process with the Council Retreat at which time Council began to shape the over arching issues which the budget and budget process needed to address;

- Council and Community Involvement
- Support for Core Services
- Maintenance of Infrastructure
- Support for Economic Development

We have had greater Council involvement in the review of the departmental budgets than ever before with three sub-groups who met with every City department to go over each department's programmatic objectives, major issues and line item budgets. This process has allowed staff to understand Council's issues more fully and allowed Council a greater understanding of the multitude of programs, regulatory obligations and core objectives of our many departments. It has also provided a venue for Council and staff to discuss in much greater detail the needs of the departments as they strive to improve their service and capabilities. In addition, we have provided more opportunities for the community to share their concerns with Council through scheduled meetings and electronic communications channels and, in keeping with Council's goal to provide opportunities for input, these channels will continue to be available throughout the budget process.

I have made a concerted effort to communicate to both Council and the public the key budget issues which I believed would shape our budget for the coming year. These are as follows:

- The opening of the new solid waste transfer station
- Necessary increase in debt service funding
- Employee costs increases, particularly health insurance
- Full year funding for the Horsepen Creek Fire Station

The original projections for FY 06-07 estimated an approximate 4.25 cents addition to the tax rate. However, in the development of the budget I have

become aware of additional needs which, after consideration, I believe should be addressed.

- Increased energy and fuel costs
- The initial (one time) impact of creating the Guilford/Greensboro 911 center
- New costs for the Willow Road Fire Station
- Funding for updated aerial photography for our GIS system.
- Funding for adjustments necessary to ensure competitive employee compensation
- Costs associated with increased use of our transit system

In the managers recommended budget I have attempted to address these issues while clearly understanding City Council's expectation that we minimize any increase to the tax rate. The proposed budget, in my opinion, meets the following critical needs with appropriate funding strategies:

- Debt service obligations are properly funded
- Fair compensation is provided even though our average merit funding is reduced
- Cost increases necessary to combine city/county 911 service are funded to provide long term benefits to our citizens
- New costs for the transfer station are absorbed over two years to lessen the first year's impact cost to the citizens
- Fund balances are budgeted prudently
- The expensive but necessary work of building and staffing additional Fire Stations continues with the planned opening of the Willow Road Station

I believe that the budget recommended tonight strikes that balance; however, I look forward to further guidance from Council. I will now provide some more detail in terms of the Strategic Priorities for this year's proposed budget.

## ***Strategic Priorities***

### ***Economic Development***

The City Council adopted a comprehensive plan in 2003 that serves as a guide to land use decisions. Staff is also working on a revised city/county water and sewer extension policy that will synchronize the City's water and sewer extension planning and the comprehensive plan into a cohesive package that will stimulate economic growth. City Council has



also adopted new urban development guidelines which help create a framework in which public-private development partnerships can be considered for high priority areas such as downtown and other urban corridors. The Center Point (old Wachovia Building) project is an example of such a partnership.

The City has begun working on a redevelopment plan for the South Elm Street area. The South Elm "core area" covers ten acres, bounded by Lee Street, Arlington Street, McCulloch Street and the Norfolk Southern rail line. City staff hope to present the redevelopment plan for council's consideration in summer 2006. Such infill and brownfield redevelopment projects are supported by the City's comprehensive plan.

This budget includes continued funding to assist a variety of economic development activities throughout the community, including funding for the Greensboro Economic Development Partnership and operating subsidies for Downtown Greensboro, Inc. and East Market Street Development Corporation.

#### *Natural Resources/Growth Management*

In May, 2003, City Council adopted the City Connections 2025 Plan, a comprehensive plan for future land use and development for Greensboro. Staff continues to work on rewriting the land use development ordinance to implement the strategies and policies identified in the comprehensive plan.

Since 1995, the City has sold water and sewer revenue bonds totaling \$220,000,000 to fund a long range capital improvements program designed to improve and enhance the City's water and wastewater capacity. Construction will begin in FY 06-07 on the North Buffalo Transfer Station, Force Main and Sewer Outfall projects. As a tandem, these projects will provide the necessary capacity for the North Buffalo Treatment Plant as part of the overall effort to mitigate sewer overflows in the Latham Park area. Total cost for these projects will be approximately \$40 million.

#### *Public Safety*

The recommended budget assumes the opening of the Willow Road Fire Station during FY 06-07 and the opening of the Painter Boulevard Fire Station during FY 07-08. The annual operating costs for both stations are about \$1.1 million each. Depending upon the outcome of the 2006 bond referendum, future budgets will include the opening of new stations in the Old Randleman Road, South Elm Eugene Street and Reedy Fork areas.

The budget continues funding for the full implementation of the Police Career Advancement Program, also referred to as the Senior Police Officer Program. There is also considerable funding in the budget for market adjustments for Police Forensics positions and 911 Communications positions. Through technology enhancements, the Police Department has identified five data entry positions that can be eliminated. I have authorized the Police Department to retain and reallocate these positions to provide funding for two additional crime scene investigation positions and one additional detective position.

#### *Maintenance of City Investments*

The City continues to evaluate its infrastructure and facilities and explore all funding options to maintain safe and efficient facilities. Upgrades to the Fleet Maintenance Facility, located at The Medford Service Center, should be completed by the end of the summer 2006. The recommended budget includes funds for facility maintenance efforts at the Coliseum and for the downtown parking decks.

The City continues to have difficulty budgeting funds for significant pay-as-you-go maintenance efforts. Therefore, staff has recommended placement of an item on the 2006 bond referendum to provide funding for major maintenance items. If approved, the city will embark on a variety of projects designed to lengthen the useful life of various city facilities and improve their energy efficiency. Examples include the replacement of air handlers in the MMOB, roof replacement at the Justice Building, and several lighting and HVAC control upgrades at various locations.

#### *Community Relations*

Several departments continue to provide and increase programming aimed at improving the organization's relationship with and understanding of the community.

The Library has developed a series of workshops called the "Chavis Roundtable" for neighborhoods in the Southeast area of the city. Through the Latino Poetry Project, the city has increased opportunities to become more familiar with Latino literature and culture. The Library's One City, One Book project continues its success as an enabler of community dialog.

Neighborhood Planning activities also continue to expand in the City of Greensboro. In November 2005, the City Council adopted the Cedar Street/Bellemeade Area Strategic Plan, the culmination of a six month planning process with the residents and property owners in the area.

City staff and neighborhood leaders continue working together on the implementation of two previously adopted plans: The Lindley Park Neighborhood Plan and the Charles B. Aycock Strategic Neighborhood Plan.

In Lindley Park, residents worked closely with GDOT staff on determining needed improvements to the Spring Garden Street corridor. Sidewalk improvements, bike lanes and on street parking designations will be completed by late summer 2006. The Spring Garden Pedestrian Overlay zoning district will be presented to City Council in July or August 2006.

The Charles B. Aycock Neighborhood together with staff initiated the Summit Avenue Corridor Study, anticipated for presentation to City Council in the summer 2006.

### **Other Strategic Issues**

#### Customer Service

The City's Contact Center has answered over 200,000 calls and is now stepping up its advertising of assistance to Spanish-speaking residents. In addition, the City's web site has been revamped to be completely accessible to the disabled, for which it has won an award from the Mayor's Committee on the Disabled. Most City departments have representatives on an "outreach" committee, which is designed to maximize both efficiency and effectiveness of various departmental community relations initiatives and to leverage resources in this area.

#### Sound Financial Management

The City continues to explore ways to reduce costs and increase program efficiencies through new technology, public/private partnerships and new work processes. The City continues to explore the use of hybrid vehicles as an efficient response to higher fuel prices. Six hybrid vehicles are currently in the fleet. As other vehicles become scheduled for replacement, the use of hybrid vehicles will be evaluated.

During FY 05-06, I merged the Solid Waste Collections function, the Parks and Recreation mowing and landscaping function and the Transportation Street Maintenance function into a single Field Services Department. Once these functions have had an opportunity to operate with shared staff and equipment, I expect the opportunity for service efficiencies to be found and implemented.

The City is now in its third year of private management experience for the Coliseum

Concessions, Catering and Merchandising operations. Of the eighty separate locations managed by the Parks and Recreation Landscape Maintenance Section, sixty-five are maintained through a private contract.

### **Capital Improvements Program**

The proposed FY 2006-2012 capital improvements plan (CIP) totals \$541 million and outlines a future financing plan to maintain our current infrastructure and develop new facilities where needed to help achieve our strategic service priorities.

The focus of the recommended CIP is the proposed 2006 bond referendum, which would place approximately \$115 million in capital projects on the ballot for citizen consideration. This would include \$36 million for a complete refurbishment of the War Memorial Auditorium, \$24 million for new Fire Stations, about \$14 million for Libraries (including the Historical Museum), plus a variety of other projects. The proposed CIP includes \$227 million for Water Resources projects as the City continues to design and build/renovate major portions of the water, wastewater and stormwater infrastructure. Major projects include Latham Park Mitigation, Lake Townsend Dam Repairs and the construction of a major feeder line for the Randleman Reservoir.

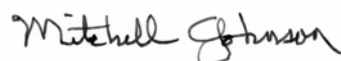
### **Property Tax Rate**

The FY 06-07 Recommended Budget is balanced with a proposed tax rate of 62 cents per \$100 property valuation, five and one quarter cents higher than the current rate. This recommended rate increase is large by typical Greensboro standards, but I think as you study the budget you will understand that the increase is driven largely by significant program expansion and cost increases associated with providing quality services, such as fuel increases, which are difficult to avoid. I would note that the City of Greensboro has increased the property tax rate only three times since 1997. This rate increase recommendation also includes a one half cent increase for the Transit Fund, in which service demand and associated costs continue to grow at a significant pace.

### **Summary**

Our employees have met the challenge of continuing progress toward our strategic priorities, even in the face of trying fiscal times. It is their efforts and dedication that make this spending plan a reality. We are ready to assist you in the adoption of this plan for the delivery of services to our community.

Respectfully submitted,



Mitchell Johnson, City Manager

